

25 October 2018



AMTEL HOLDINGS BERHAD
(Company No.: 409449-A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2018

AMTEL HOLDINGS BERHAD (409449-A)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2018**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT PERIOD QUARTER 31-8-2018	PRECEDING YEAR CORRESPONDING QUARTER 31-8-2017	CURRENT PERIOD 31-8-2018	PRECEDING YEAR CORRESPONDING PERIOD 31-8-2017
	RM'000	RM'000	RM'000	RM'000
Revenue	12,031	7,136	34,809	24,326
Operating Expenses	(11,834)	(8,041)	(35,713)	(26,312)
Other Operating Income	338	184	910	576
Profit/(Loss) from Operations	535	(721)	6	(1,410)
Finance Costs	(16)	(14)	(62)	(35)
Share of Results of Associates	(40)	(153)	146	(265)
Profit/(Loss) Before Taxation	479	(888)	90	(1,710)
Taxation	(154)	60	(530)	(111)
Profit/(Loss) for the financial period	325	(828)	(440)	(1,821)
Other Comprehensive Income, Net of Tax				
Items that may be reclassified subsequently to Profit or Loss				
Foreign currency translation	(3)	-	5	4
Total Comprehensive Profit/(Loss) for the period	322	(828)	(435)	(1,817)
<u>Profit/(Loss) Attributable to:-</u>				
Owners of the Company	324	(795)	(414)	(1,715)
Non-controlling Interests	1	(33)	(26)	(106)
	325	(828)	(440)	(1,821)
<u>Total Comprehensive Income/(Loss) Attributable to:-</u>				
Owners of the Parent	321	(795)	(409)	(1,711)
Non-controlling Interests	1	(33)	(26)	(106)
	322	(828)	(435)	(1,817)
<u>Earnings Per Share Attributable to Owners of the Parent :-</u>				
Basic (sen)	0.66	-1.61	-0.84	-3.48
Fully Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD (409449-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018
(The figures have not been audited)

	<u>UNAUDITED</u> AS AT CURRENT FINANCIAL PERIOD ENDED 31/8/2018 RM'000	<u>AUDITED</u> AS AT PRECEDING FINANCIAL YEAR ENDED 30/11/2017 RM'000
Note		
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,652	2,037
Investment Properties	169	169
Investments in Associates	1,084	1,071
Intangible Assets	-	581
Other Investments	250	250
	4,155	4,108
Current Assets		
Inventories	4,802	2,402
Property Development Costs	8,633	8,427
Trade & Other Receivables	16,615	22,052
Other Investments	11,193	11,621
Cash deposits with licensed banks	8,468	8,117
Cash and Bank Balances	9,132	4,255
	58,843	56,874
TOTAL ASSETS	62,998	60,982
EQUITY AND LIABILITIES		
Equity		
Share Capital	1 29,561	29,246
Reserves	11,427	11,814
Equity Attributable to Owners of the Parent	40,988	41,060
Non-controlling Interests ("NCI")	207	1,890
Total Equity	41,195	42,950
Non-Current Liabilities		
Finance Lease Payables	274	357
Deferred Tax Liabilities	96	96
	370	453
Current Liabilities		
Trade & Other Payables	20,001	16,517
Short Term Borrowings	1,165	796
Tax Liabilities	149	126
Finance Lease Payables	118	140
	21,433	17,579
Total Liabilities	21,803	18,032
TOTAL EQUITY AND LIABILITIES	62,998	60,982
Net assets per share attributable to owners of the parent (RM)	0.8234	0.8332

Note (1):-

On 30 May 2018, the Company allotted 500,000 ordinary shares to a placee via the Private Placement at an issue price of 63 sen per share, which raised proceeds of RM315,000. As a result, the issued and paid up share capital of the Company increased from RM29.246 million to RM29.561 million.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2018
(The figures have not been audited)**

	<----- Attributable to Owners of the Parent ----->							
	<----- Non-Distributable ----->							
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Currency Translation Reserve RM'000	Retained Earnings/ (Accumulated Losses RM'000	Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
9 months ended 31 August 2018								
At 1 December 2017	29,246	-	159	35	11,620	41,060	1,890	42,950
<u>Comprehensive Income:</u>								
(Loss)/Profit for the financial period	-	-	-	-	(414)	(414)	(26)	(440)
Foreign currency translation	-	-	-	5	-	5	-	5
Total comprehensive (loss)/income for the financial period	-	-	-	5	(414)	(409)	(26)	(435)
Issuance of shares pursuant to Private Placement (Note 1)	315	-	-	-	-	315	-	315
<u>Transaction with owners:</u>								
Acquisition of NCI	-	-	-	-	-	-	(1,657)	(1,657)
Discount received from acquisition of NCI	-	-	-	-	22	22	-	22
At 31 August 2018	29,561	-	159	40	11,228	40,988	207	41,195
9 months ended 31 August 2017								
At 1 December 2016	49,277	4,775	159	14	(10,181)	44,044	1,858	45,902
Adjustment pursuant to Companies Act 2016	4,775	(4,775)	-	-	-	-	-	-
<u>Comprehensive Income:</u>								
Profit/(Loss) for the financial period	-	-	-	-	(1,715)	(1,715)	(106)	(1,821)
Foreign currency translation	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the financial period	-	-	-	-	(1,715)	(1,715)	(106)	(1,821)
<u>Transaction with owners:</u>								
Acquisition of NCI	-	-	-	7	-	7	91	98
NCI of newly incorporated subsidiary	-	-	-	-	-	-	4	4
Premium on acquisition of NCI	-	-	-	-	(98)	(98)	-	(98)
At 31 August 2017	54,052	-	159	21	(11,994)	42,238	1,847	44,085

Note (1):-

On 30 May 2018, the Company allotted 500,000 ordinary shares to a placee via the Private Placement exercise at an issue price of 63 sen per share.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

AMTEL HOLDINGS BERHAD (409449-A)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2018
(The figures have not been audited)

	CURRENT FINANCIAL PERIOD ENDED 31/8/2018 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31/8/2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	90	(1,710)
Adjustments for:-		
Non-cash items	1,160	1,126
Non-operating items	(519)	(407)
Share of results of associates	(146)	265
Operating profit/(loss) before changes in working capital	<u>585</u>	<u>(726)</u>
Changes in working capital		
Net changes in property development costs	(206)	56
Net changes in current assets	2,876	9,215
Net changes in current liabilities	<u>3,484</u>	<u>(4,929)</u>
Cash generated from operations	6,739	3,616
Interest received	141	152
Interest paid	(62)	(35)
Net income tax paid	<u>(342)</u>	<u>(297)</u>
Net cash generated from operating activities	<u>6,476</u>	<u>3,436</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,319)	(1,008)
Disposal of property, plant and equipment	190	75
Withdrawal/(Placement) of fixed income funds & quoted unit trusts	750	(1,007)
(Placement)/Withdrawal of pledged cash & cash equivalent under lien	(351)	468
Dividend income	322	215
Additions in intangible assets	-	(278)
Additions in investment in subsidiary	(135)	(14)
Acquisitions of NCI	<u>(1,635)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,178)</u>	<u>(1,549)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net payments of finance lease	(105)	(116)
Proceeds from issuance of new shares	<u>315</u>	<u>-</u>
Net cash generated from /(used in) financing activities	<u>210</u>	<u>(116)</u>
NET INCREASE IN CASH AND CASH EQUIVALENT	4,508	1,771
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	3,459	7,152
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>7,967</u>	<u>8,923</u>
Cash and cash equivalents at end of the financial period comprise of:-		
Cash at banks and in hand	9,132	9,542
Cash deposits with licensed banks	8,468	5,231
Bank overdrafts	<u>(1,165)</u>	<u>(619)</u>
	16,435	14,154
Less: Cash deposits with licensed banks under lien	<u>(8,468)</u>	<u>(5,231)</u>
	<u>7,967</u>	<u>8,923</u>

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2018**

PART (A): EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ("MFRSs") 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the last financial year ended 30 November 2017 and the accompanying explanatory notes attached to the interim financial report. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and of the Group since the financial year ended 30 November 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the last financial year ended 30 November 2017, except for the adoption of the following amendments/improvements that are mandatory for the current financial period:-

Amendments/Improvements to MFRSs

	Effective for financial periods beginning on or after
MFRS 12 Disclosure of Interest in Other Entities	1 January 2017
MFRS 112 Income Taxes	1 January 2017

The adoption of the above amendments/improvements to MFRSs does not have any significant effect on the financial statements of the Group and of the Company, and does not result in significant changes to the Group's and Company's existing accounting policies.

The Group has not early adopted any new standards, amendments/improvements to MFRSs which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board but are yet to be effective for the Group's current financial period.

2. Audit Qualification

The audit report of the Group's financial statements for the year ended 30 November 2017 did not contain any qualification.

3. Seasonal or cyclical Factors

The Group's operations are not effected by seasonal or cyclical factors for the current financial quarter under review.

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4. Unusual Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current quarter under review.

5. Material Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in the prior financial quarters or changes in estimates of amount reported in prior financial periods that have a material effect in the current financial quarter.

6. Debt and Equity Securities.

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial period to date, except that on 30 May 2018, the Company's ordinary share capital increased by 500,000 shares from 49,277,066 to 49,777,066 shares under the first tranches of private placement.

7. Dividends Paid

There was no dividend paid during the financial period ended 31 August 2018.

8. Segmental Reporting

The Group's segment information for the financial period ended 31 August 2018 is as follows:-

(i) Major Business Segments

The basis of segmentation and measurement of segment performance is consistent with the basis adopted in the last audited annual financial statements.

9 months ended 31 August 2018

GROUP	Property Development	Information & Communication Technology ("ICT")	Telecommunications, Infrastructure & Services ("TIS")	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE						
External revenue	67	30,863	3,710	169	-	34,809
Inter-segment revenue	-	1,045	-	536	(1,581)	-
Total revenue	67	31,908	3,710	705	(1,581)	34,809

	Property Development	ICT	TIS	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT RESULTS					
Profit/(Loss) from operations	(689)	1,120	219	(644)	6
Finance costs	-	(45)	(17)	-	(62)
Share of associates' results	-	214	(68)	-	146
Profit/(Loss) before taxation	(689)	1,289	134	(644)	90
Taxation	-	(475)	(45)	(10)	(530)
Profit/(Loss) for the period	(689)	814	89	(654)	(440)

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8. Segmental Reporting (Cont'd)
(i) Major Business Segments (Cont'd)

FINANCIAL POSITION As at 31 August 2018	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	15,721	23,383	11,903	11,991	62,998
Total segment liabilities	4,994	11,561	4,712	536	21,803

9 months ended 31 August 2017

GROUP	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT REVENUE						
External revenue	1,838	14,921	7,399	168	-	24,326
Inter-segment revenue	-	1,534	-	570	(2,104)	-
Total revenue	1,838	16,455	7,399	738	(2,104)	24,326

	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
SEGMENT RESULTS					
Profit/(Loss) from operations	38	(498)	(136)	(814)	(1,410)
Finance costs	(1)	(26)	(8)	-	(35)
Share of associates' results	-	(165)	(100)	-	(265)
Profit/(Loss) before taxation	37	(689)	(244)	(814)	(1,710)
Taxation	(19)	(92)	-	-	(111)
Profit/(Loss) for the period	18	(781)	(244)	(814)	(1,821)

FINANCIAL POSITION As at 31 August 2017	Property Development RM'000	ICT RM'000	TIS RM'000	Others RM'000	Consolidated RM'000
Total segment assets	18,751	19,907	10,682	12,059	61,399
Total segment liabilities	6,751	7,125	2,867	571	17,314

(ii) Geographical Segments

Revenue based on geographical location of the Group's customers is as follows:-

GROUP	Revenue	
	Current Period 31/8/2018 RM'000	Preceding Year Corresponding Period 31/8/2017 RM'000
Malaysia	34,809	24,315
Singapore	-	11
Total	34,809	24,326

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9. Valuation of Property, Plant and Equipment

(1) Property, plant and equipment which are stated at cost have been brought forward without amendment from the previous annual financial statements.

(2) There was no material acquisition or disposal of property, plant and equipment by the Group during the financial period.

10. Material Event Subsequent to the End of Financial Period

There was no material event subsequent to the end of the financial period ended 31 August 2018 that has not been reflected in the financial statements or to be disclosed as at the date of this report, except that on 28 September 2018, the Company via its wholly owned subsidiary namely Amtel Cellular Sdn. Bhd. ("AMCSB") acquired the remaining 15% equity interest in Amnavi Sdn. Bhd. ("Amnavi") for a total cash consideration of RM199,713. Consequently, Amnavi became an indirect wholly owned subsidiary of the Company.

11. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter and financial period except as mentioned belows:-

- (i) On 9 January 2018, the Company completed the disposal of its entire equity interest in Amtel Engineering Sdn Bhd ("AESB") for a total cash consideration of RM1,110,026. Following the completion of the disposal, AESB ceased to be a wholly-owned subsidiary of the Company; and
- (ii) On 5 March 2018, the Company via its 76.92% owned subsidiary namely Amtel Resources Sdn. Bhd. ("ARSB") completed the acquisition of the remaining 60% equity interest in Amtel Network Sdn. Bhd. ("ANSB") for a total cash consideration of RM135,000. Consequently, ANSB became an indirect wholly owned subsidiary of the Company.
- (iii) On 17 May 2018 and subsequently on 31 May 2018, the Company acquired another 15.39% and 7.69% equity interests respectively in ARSB for a total cash consideration of RM1.64 million. Consequently, ARSB became a wholly owned subsidiary of the Company on 31 May 2018.

12. Changes in Contingent Liabilities and Contingent assets

There were no changes in contingent liabilities or contingent assets since the last reporting date as at 30 November 2017, except for the following:-

	As At 31/8/2018
Company	
<u>Contingent Liabilities – Secured</u>	RM'000
The maximum exposure to credit risk amounts representing the outstanding credit facilities of the subsidiaries and associated company guaranteed by the Company	<u>1,431</u>

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12. Changes in Contingent Liabilities and Contingent assets (Cont'd)

Group	As At 31/8/2018 RM'000
<u>Contingent Liabilities – Secured*</u>	
Bank guarantees	<u>792</u>

* - The bank guarantees are secured against the fixed deposits of the subsidiary and associate.

At the reporting date, there was no indication that these subsidiaries and associate will default on its repayments during the guarantee period.

13. Capital and Other Commitments

The Group has no capital commitment in respect of property, plant and equipment for current period ended 31 August 2018.

14. Related Party Transactions

There is no related party transaction entered into by the Company and/or its subsidiaries during the financial period to date.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 AUGUST 2018**

**PART (B): ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF BURSA
SECURITIES MAIN MARKET LISTING REQUIREMENTS**

1. Review of Performance

The Group registered an increase in revenue during the current quarter by 68.6% as compared to preceding year corresponding quarter and an increase of 43.1% on a period to date basis. TIS segment posted higher revenue for the current quarter whilst the increase in revenue for current period to date came from the ICT segment. In tandem with the increase in revenue, the Group reported a profit after tax of RM0.33 million for the current quarter, as compared to a loss after tax of RM0.83 million reported in the preceding year corresponding quarter. For the nine months ended 31 August 2018, the Group posted a lower loss after tax of RM0.44 million as compared to loss after tax of RM1.82 million reported in preceding year corresponding period.

The performance of the respective segment of the Group is summarized as follows:-

ICT Segment

Although the current quarter's supply of Telematics products was affected by the setback in one of the customer's production, ICT segment still registered a total revenue of RM10.18 million during the current quarter and RM30.86 million for the current period to date, which showed greater improvement as compared to RM4.34 million and RM14.92 million respectively recorded in preceding year corresponding quarter and period. As a result, ICT segment achieved a higher profit after tax both during the current quarter and period to date. The overall improved performance was mainly contributed by higher sales volume of new car models fitted with our Telematics products and corresponding increase in sales of automotive related accessories.

TIS Segment

The TIS segment posted a total revenue of RM1.79 million and RM3.71 million respectively during the current quarter and period to date as compared to RM2.72 million and RM7.40 million respectively reported in preceding year corresponding quarter and period to date. The overall drop in revenue was mainly due to reduced turnover from civil infrastructure project works. Despite lower revenue, this segment recorded a marginal improvement in profit after tax of RM0.09 million during the current period as compared to loss after tax of RM0.24 million reported in preceding year corresponding period. This was achieved mainly due to the close monitoring and management of the various project costs.

Property Development Segment

There was no new sale of property reported during the current quarter and period to date. The loss reported for the current quarter and period to date was mainly due to the impairment on trade receivables amounting RM0.70 million accounted for in the immediate preceding quarter.

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1. Review of Performance (Cont'd)

Others Segment

The investment holding company reported a lower loss during the current quarter due to higher management fees charged to its subsidiary, which has also resulted in lower loss recorded for current period as compared to preceding year corresponding period.

2. Material Changes in the Profit After Tax for the Quarter Reported as Compared with the Immediate Preceding Quarter.

The Group's performance for the current financial quarter and the immediate preceding quarter are summarized as follows:-

	Current Quarter	Preceding Quarter	
	31/8/2018	31/5/2018	Changes
	RM'000	RM'000	%
Revenue	12,031	11,964	+0.56%
Profit/(Loss) from operations	535	(640)	>+100%
Share of results of associates	(40)	253	<-100%
Profit/(Loss) before tax	479	(409)	>+100%
Profit/(Loss) after tax	325	(640)	>+100%

For the current quarter under review, the Group reported revenue of RM12.03 million which is marginally higher as compared to immediate preceding quarter ended 31 May 2018 of RM11.96 million. The marginal increase was mainly due to higher turnover from civil infrastructure project works. The Group achieved profit before and after tax, during current quarter mainly attributable to both TIS and ICT segments which continue to deliver positive results.

3. Commentary on the Group's Prospects

The Group will continue its focus in the ICT and TIS segments where efforts and resources will be placed on offering new services to existing and new customers and securing new contracts to strengthen the Group's revenue and profitability.

The Group is optimistic that the sales from ICT and TIS segments will continue to be encouraging in the remaining financial quarter. Therefore, barring any unforeseen circumstances, the Directors expect the Group's performance to be positive for the whole of this financial year.

4. Variances of Actual Profit from Forecast Profit

Not applicable.

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5. Tax Expense

The movement in tax expense for the Group for the current financial quarter and financial period under review is summarized as follows:-

	Current Quarter 31/8/2018 RM'000	Cumulative Current Period 31/8/2018 RM'000
<u>Tax expense:-</u>		
Based on results for the period	<u>(154)</u>	<u>(530)</u>

The disproportionate tax charge of the Group was mainly due to losses of certain subsidiaries was not available for set off against taxable profits of other subsidiaries.

6. Status of Corporate Proposals

There are no corporate proposals announced, but not completed as at the date of issue of this quarterly report other than as mentioned below:-

Private Placement

The Company announced on 20 November 2017 to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company. The listing application for the proposed private placement which was submitted to Bursa on 5 December 2017 was approved by Bursa on 11 December 2017, subject to certain terms and conditions.

On 30 May 2018, the Company allotted 500,000 ordinary shares to a placee under the private placement at an issue price of 63 sen per share, which raised proceeds of RM315,000. These shares were listed and quoted on the Main Market of Bursa on 1 June 2018. Arising from the issue of these shares, the issued share capital of the Company increased from RM29,245,803 to RM29,560,803.

On 5 June 2018, Bursa had approved the extension of time up to 10 December 2018 for the Company to complete the implementation of the private placement. Please refer to our announcement to Bursa dated 25 May 2018, 31 May 2018 and 6 June 2018 for further details.

7. Provision of Financial Assistance to Associated Company

The Company obtained the shareholders' approval via the Extraordinary General Meeting held on 17 May 2017 to vary the financial assistance provided to associated company Milan Utama Sdn Bhd ("MUSB") to include on a pool basis with Amtel Networks Sdn Bhd ("ANSB"). The amounts of financial assistance provided as of 31 August 2018 to MUSB remain at RM6.58 million.

No financial assistance has been provided to ANSB as at the date of issue of this quarterly report.

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8. Group Borrowings and Debt Securities

The Group's total borrowings (all denominated in Ringgit Malaysia) as at 31 August 2018 are as follows:-

	As at 31/8/2018 (Unaudited) RM'000	As at 30/11/2017 (Audited) RM'000
(1) <u>Short Term Borrowings:-</u>		
- <u>Secured</u>		
Overdrafts	1,165	796
- Finance leases payable within the next 12 months	<u>118</u>	<u>140</u>
(2) <u>Long Term Borrowings:-</u>		
- Finance leases payable after the next 12 months	<u>274</u>	<u>357</u>

The Group does not have borrowing denominated in foreign currency and there is no debt securities issued.

9. Material Litigation

Save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant as at the date of issue of this quarterly report:-

On 4 September 2015, the Company announced that Amtel Cellular Sdn Bhd ("AMCSB"), the wholly-owned subsidiary of the Company has on 2 September 2015 filed an application to the Shenzhen Luoho District People's Court ("Court") to seek judgment and claims against Shi Jian Bing ("SJB") due to SJB's failure to deliver the new navigation software engine within the prescribed timeline and a breach of contract pursuant to the Agreement dated 25 November 2013 made between AMCSB, SJB and Another Party ("AP").

AP had made an application earlier on 31 March 2015 to the Court to seek similar judgment and claims against SJB, in relation thereto AMCSB is a Joint-Plaintiff with AP against SJB in claiming including but not limited to the development costs of RMB1,677,569 together with interest thereon, the cost of legal proceedings and others as specified in the announcement dated 4 September 2015.

The first court hearing was held on 9 October 2015 and 10 October 2015 (continued hearing from day 1) at the Court. However no decision was formed by the Judge at the conclusion of the first trial. The Company waited for the decision of the Judge following another hearing held on 25 April 2016. On 24 August 2017, the Company announced that the solicitor of AMCSB in the People's Republic of China ("Solicitor") has informed that the Court has rejected AMCSB's appeal filed on 15 July 2016 to seek higher compensation against SJB and upheld the earlier decisions and judgments of the Court as stated in the announcement dated 4 July 2016. On 12 September 2018, the Company announced that the Solicitor has informed that despite AMCSB's second appeal to the Shenzhen Intermediate People's Court ("Shenzhen Court") to seek for a higher compensation against SJB, the Shenzhen Court upheld the earlier decisions and judgements of the Court as stated in the announcement dated 4 July 2016. Our Solicitor has confirmed that the Court's decision is final. We are now in the process of recovering the claims from SJB.

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10. Dividend

The Board of Directors does not recommend any payment of dividend for the current financial period ended 31 August 2018.

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Total comprehensive income for the current quarter and financial period to date is arrived at after charging/(crediting) the following items:-

	Current Quarter 31/8/2018 RM'000	Preceding Year Corresponding Quarter 31/8/2017 RM'000	Current Period 31/8/2018 RM'000	Preceding Year Corresponding Period 31/8/2017 RM'000
1. Interest income	(51)	(49)	(141)	(73)
2. Dividend income	(103)	(78)	(323)	(152)
3. Other income excluding interest and dividend income	(71)	(43)	(260)	(83)
4. Interest expense	16	13	62	21
5. Depreciation of property, plant & equipment	183	232	776	462
6. Property, plant and equipment written-off	-	-	5	-
7. Amortisation of intangible assets	-	62	581	124
8. (Gain)/Loss on disposal of property, plant & equipment	(83)	(75)	(118)	(75)
9. Impairment on trade receivables	-	-	698	-
10. Net foreign exchange (gain)/loss	(31)	49	(25)	81
11. Net provision of warranty costs	-	-	193	-
12. Loss on disposal of subsidiary	-	-	17	-
13. Loss on disposal of associate	-	-	97	-

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12. Earnings Per Share

(1) Basic earnings per share

The basic earnings per share for the current quarter and financial period to date is calculated by dividing the consolidated net loss attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the period as shown below:-

	Current Quarter 31/8/2018	Preceding Year Corresponding Quarter 31/8/2017	Current Period 31/8/2018	Preceding Year Corresponding Period 31/8/2017
Net profit/(loss) attributable to owners of the Parent (RM'000)	324	(795)	(414)	(1,715)
Weighted average number of shares	49,405,833	49,277,066	49,405,833	49,277,066
Basic earnings per shares (sen)	0.66	(1.61)	(0.84)	(3.84)

(2) Diluted earnings per share

Not applicable.

13. Disclosure of Realised and Unrealised Profits or Losses of the Group

The retained earnings/(accumulated losses) of the Group as at 31 August 2018 is analysed as follows:-

	As at 31/8/2018 RM'000	As at 31/8/2017 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	1,393	(20,943)
- Unrealised	(346)	(928)
	1,047	(21,871)
Total share of retained earnings from associates:-		
- Realised	1,028	1,143
- Unrealised	-	1
	2,075	(20,727)
Add: Consolidation adjustments	9,153	9,528
Total retained earnings/(accumulated losses) as per consolidated financial statements	11,228	(11,199)

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By Order of the Board

LIM LEE CHIN

Company Secretary